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   ~ Net Privacy Presses On ~ People Are Talking!   ~ Microsoft Claims Win!
   ~ Microsoft Concessions! ~ Go-Dai: Elemental Force~ GranTurismo 3!
   ~ Napster Told Stay Off! ~ U.S. Seeks Lower Court ~ NASCAR Thunder 2002!

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->From the Editor's Keyboard   "Saying it like it is!"
  """"""""""""""""""""""""""""""

Vacation!! It's been worth the wait; and it certainly has to be better than
the one I had a couple of months ago (two days of sun and the rest rain!).
The weather prediction is for beautiful weather for most of next week and I
hope it continues. No major projects lined up other than just some routine
yard maintenance and maybe putting down a few more yards of loam as I feel
like it. Some golf, some swimming, and lots and lots of relaxing! I had
better stock up the fridge and bar! In fact, we just bought an outdoor bar
set to put out on the deck - should get interesting! Joe, eat your heart
out! <rbg>

It's going to be good to get away from the job for awhile. As many of you
have probably experienced a number of times, work can be stressful. It's
necessary to take time off and get recharged. While the job has been really
crazy for the past year, and will likely continue for some time, things
seem to be looking up in many regards. I have a new boss who seems to have
her head on straight. Definitely better than my old (temporary) boss who
was transferred to a different site. Our group seems to have some support,
which is really needed. So, we'll see what happens. I could even manage a
promotion in the near future, which would be great. It's nice to see
appreciated and rewards for doing a good job. It doesn't happen as often
as it should!

It's been a really quiet week, news-wise. Summer months are slow, which is
fine with me on occasion. It gives me time to do other things that
sometimes get overlooked. So, if this week's issue turns out smaller than
usual, you'll know why. The fact that I'm going on vacation has nothing to
do with it! <g>

So, let's get moving and see what we have for everyone this week. Sit back,
relax, and enjoy!

Until next time...

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                       PEOPLE ARE TALKING
                     compiled by Joe Mirando
                        joe@atarinews.org

Hidi ho friends and neighbors. While Dana is just starting to enjoy his vacation, I'm struggling through my first week AFTER vacation.

What he said about us being in sync is quite true. Usually, I don't have a topic in mind when I start my column. I just kind of let something rattle around in my head until it works its way down to my fingers and through the keyboard. When this happens, Dana will often echo my thoughts in his editorial. We don't have an agenda when we write for the magazine...

Well, let me rephrase that.... we don't "team up" each week to hammer you with a particular viewpoint.

Of course, everyone has an agenda. Ours is to provide you with what we can to keep you informed about your Atari computers and video systems. We don't do it

for money, or even for fame. This is not exactly the venue for either. We do it because we genuinely enjoy OUR Atari systems.

In case you haven't noticed, we do jab at each other every once in a while. It's all done in fun, and no one walks away mad. We've known each other for long enough to know what's fair game and what isn't.

Perhaps it's because we both had an interest in journalism from early on, or perhaps it's because we both truly enjoy our Atari equipment. My best guess is that we're both twisted just slightly enough to be on the same wavelength.

Well, let's get on with the news, hints, tips, and info available on the UseNet.

From the comp.sys.atari.st NewsGroup
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Peter West asks about a friend's problem with color resolutions and television video:

"A friend of mine uses an STFM1040 with TOS 1.02 and CAB 1.5, normally with a hi rez monitor. He needed to give a demo on a TV via SCART, but luckily came to me first to try it out. I found that while his setup worked fine on hi rez, when I tried it on the TV in both med and low rez CAB started to load but stuck during the small 'Loading xxx' dialog each time. Only after using the Sebra hi-rez emulator did it work properly. (He is using GDOS 1.1 and some PD fonts, but I think that's irrelevant.)

Is this a problem with CAB 1.5 and/or TOS 1.02? My 2.7 works fine in all 3 ST resolutions and higher, but then I use MagiC.

Another thing: His HTM file didn't display properly for some reason. The first para was in small type despite a </FONT><FONT COLOR="#000000"

BACK="#ffffff" style="BACKGROUND-COLOR: #ffffff" SIZE=5 PTSIZE=16 FAMILY="SANSSERIF" FACE="Arial" LANG="0">   <I> header.

The problem seemed to be due to having after the header a command. This format seems to be standard HTML. When I split the angle brackets as <bgcolor=beige> it worked fine. Any ideas?"

Peter Slegg tells Peter:

"A wild guess...

I think that because you are using GDOS and not NVDI (vector fonts)
you will need to install some low and medium rez screen fonts.
Its a long time since I used GDOS so I could be wrong. "

Peter West tells Peter Slegg:

"No, he had the bitmap screen fonts in all resolutions on the disk,
I believe (I no longer have his disk). In any case, I wouldn't
think this could have led to the computer freezing on the first
'Loading xxx' dialog, as these use the system font."

Greg Goodwin adds:

"It would help if you knew the page that didn't work, but I suspect
either a problem with GDOS or a setting off. I know CAB 1.5 works in
medium resolution via TOS 1.62.

> Another thing: His HTM file didn't display properly for some
> reason. The first para was in small type despite an header.
> The problem seemed to be due to having after the header a command
> . This format seems to be standard HTML. When
> I split the angle brackets as <bgcolor=beige> it worked
> fine. Any ideas?
>
This [changing the brackets] is why I suspect GDOS. CAB would be looking for a

font a couple of sizes larger than standard.

Your last problem is strange as "<bgcolor=beige>" isn't standard
HTML, as far as I know."

Peter tells Greg:

"It was a page he had written in HTML, but I don't think that
matters because CAB never got as far as initialising - as I said
it hung with its small 'Loading xxx' (modules etc.) dialog. He is
using GDOS 1.1 with suitable fonts. The system worked fine on a
high-rez monitor and also when using Sebra to emulate hi rez on
the TV. But I agree, it /should/ have worked in med and lo rez
too. I don't know whether the combination with TOS 1.02 could be
the problem? And what do you mean by 'setting of'?

The header and all further paras were OK. It was just the first
para after the header that was in small font.

Yes, I thought that [splitting the command up] was the case. However,
it worked (though the background colour was white - but then it would be
in high rez)!"

John Garone asks:

"[Does] Anyone know of a patch for Magic that will bypass the Falcon MKI
memory check?"

Robert Schaffner tells John simply:

"Use BOOTKONF.PRG and reduce time for ram test to 5 seconds."

John tells Robert:

"If it's not the program that came on the Falcon disks (does'nt have
that memory test config.), can you direct me to where I can find it?"

Robert tells John:

"http://www.seimet.de/atari_english.html"

John installs it and then reports:

"Ok! The new Bootconf worked fine! The system loaded without the memory
check. I also used Magpatch.TTP to bypass the search for an IDE (no IDE
in the MKI). It still took about 40 seconds to boot but it's a lot better
than what it was. Running Hddriver 7, Magic 6 and a load of stuff in the
Auto folder (NVDI, SAM, Stik..)."

Lyndon Amsdon tells John:

"Hmm, I recently tried to get SAM working on Magic and Jinnee but it didn't
play the sounds even though you could from the acc and the box "sounds
enabled" was ticked and the only sound to work was start up sound. I
think it worked OK on my old STE with TOS."

John confirms Lyndon't experiences:

"Same here! With Magic, SAM is only playing the system start-up sound
on this Falcon MKI. The box ticked is to enable the system sounds of those
not chosen in SAM (I believe).

There are a number of programs I run under TOS 4.04 like Cubase and
BackloadIII that won't run with Magic. In some cases I'm hoping it's just
a configuration problem."

Neil Chester asks about getting his new scanner working:

"After finally taking the plunge into the scanning world it seems that it
will be a struggle to scan my first document!

I purchased an Epson GT9500 scanner from a Warehouse operation in
Stockport who were selling them in new condition, but without original
packaging. The scanner arrived safely via courier, but it seems that the
carriage wasn't in the locked position because I could hear it moving in
the box (does this matter?).

To test it, I disconnected the SCSI lead from the back of the CDRW and
selected ID 5 on the back of the GT9500 and powered up the scanner as per
the manual. It seemed to go alright. I next tried it with the Falcon
with MagiC loaded - started up the copy of GTLook2 (from the Belgian FTP
site) and selected "SCSI extern" from boxes. Almost immediately after
clicking OK I got an error message saying "Initialisation error" - Scanner
not connected (Try Again or Cancel). I knew this was twaddle because I
had done a SCSI scan with HDDRUTIL and it had picked it up no problem.

Can anyone suggest anything? I tried in TOS mode but still the same
message. I am using a Falcon CT2B with either TOS 7.04 or MagiC 6.01.

Any help appreciated - before I consult the vendor!!"

Jim Logan tells Neil:

"In principle I would not have been happy with it [the carriage not being locked down] but in practice it might not matter. I presume you actually checked the lock was off.

Is the scanner SCSI terminated? Might the scanner accidently have been switched off? (Sounds silly but I have done this several times - the mains switch does not need much force to operate it.) Does Look2 support your scanner? Did you try resetting the scanner? Could you try the scanner on another machine?"

Neil tells Jim:

"The situation has changed somewhat, I can now get the scanner working!!

I downloaded a copy of GTLook2 from Derryck's site it seems to be much different to the one I had from somewhere else. The version number is 1.05 (9/2/93) it seems to be a Dealer version.

BUT not working on the SCSI bus, I tried the parallel port in desperation and it worked first time. Each time a tried the SCSI ports (either of them on the back of the scanner) termination switched ON, ID set to 5 - HD Driver's useful device scan picked up that there was an Epson Scanner on ID5. But somehow GTLook2 wasn't getting that information!?

When do you switch ON your scanners? I was following the Epson manual which advised that it should be switched on before the computer and everything else. Would it really matter?

Does anyone have any ideas as to why it doesn't work on the SCSI bus?"

Lyndon tells Neil:

"Oh yeah, I remember now, the version from Derryck's site doesn't work on SCSI as I previously said but I also got it working on parallel. However, I would imagine this is for Falcon owners only (as it has a couple more control lines) so there is no chance for people with STs to use a parallel GT scanner without extra hardware. But my version of GT Look does work with SCSI port and I assume parallel so I'm not sure where the hell my version came from! Don't worry, your scanner sounds just like how mine operated. I didn't want to use parallel as the GT doesn't have thru port and I don't even know if everything supports a printer and scanner on parallel."

Edward Baiz asks about his Jaz drive:

"My Jaz drive starting acting up last night. I cannot get it to copy files correctly. It will read files on the carts and even delete them, but it will not copy large files to the carts only small ones (50k or less). If I try to copy large files I get a message saying the data on the cart may be damaged. Anyone have an idea as to what the problem is? Is the drive dead?"

Uwe Seimet, the author of HD Driver, tells Edward:

"Sounds like there is a hardware problem, indeed. You probably get more details when checking the last SCSI error message reported by the drive with HDDRCONF.CPX.

Edward tells Uwe:

"Yes you are correct. No termination in the cable. Fixed that and it works fine now.

Well I found out the problem. I had hooked up an external 3gig SCSI drive that I am going to use for Linux. I used the same cable that I am using for my scanner. But when I hooked up the drive I forgot to hook up the terminator. The system worked fine for about a week and then last night all hell broke loosed. I should have realized something was wrong when my SCSI CD drive stop working. Now things are all fine. I feel stupid, but that is way things go. Now I just have to get Linux working."

Joseph Place asks for help with his new hard drive:

"I'm trying to add a larger hard drive (a Seagate ST32151N), and the drive formats, partitions, and boots fine, operates fine on it's own. The problem I am having is that it causes my CD-RW to freak out, and it also corrupted the files on my other hard drive when I had them chained together. I am using ICD drivers and Extendos Gold, with a Link II on a 520STe. Everything operates fine with my Maxtor drive. Can anyone help?"

Steve Stupple tells Joseph:

"Check your cables!

I had the same problem and it ended up being a low quality cable, yep it was a brand new one at that.

Also check the cable length and the terminators, especially if the drive had onboard device terminators.

SCSI things are weird, i have an MO optical drive and i can't use this with any of my hard drive unless my main hard drive is device ID '0' and the mo drive is '4'!"

Jon Gibbins asks about getting his Atari on the internet:

"Hi, I've owned an Atari ST for years now, so am hugely literate with the machine, but I have only just now decided to try and get on the net with it... Can anyone recommend any good packages to enable me to do so ?"

Edward Baiz tells Jon:

"I would get Newsie, Popwatch, STiK2, Cab 1.5 (version 2.8 is better but is commercial), aFTP. The packages are at the sites below:

http://www.netset.com/~baldrick/stik2.html"

Lyndon Amsdon adds:

".... and don't forget HSMODEM v7 for Magic/TOS users."

Well folks, that's it for this week. Tune in again next week, same time, same station, and be ready to listen to what they're saying when...

PEOPLE ARE TALKING

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->In This Week's Gaming Section - 'NASCAR Thunder 2002'!
  """""""""""""""""""""""""""""""   'Gran Turismo3 A-spec'!
                                    'GoDai: Elemental Force'!

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->A-ONE's Game Console Industry News   - The Latest Gaming News!
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                   EA Sports Presents NASCAR Thunder 2002

Electronic Arts announced the re-launch of its NASCAR franchise, NASCAR
Thunder 2002, with its relocation to one of the best sports games
developers in the country, EA's Tiburon Studio.

Tiburon Studio, known for its development of EA's Madden NFL franchise,
has added depth, innovation and deeper gameplay modes for the most complete
NASCAR experience. NASCAR Thunder 2002 is scheduled to ship on the
PlayStation2 computer entertainment system and the PlayStation this fall
and for the Xbox video game system during the first wave of Xbox
titles.

''We feel that we have made a strategic move with our NASCAR franchise,"
said Chip Lange, vice president of marketing, Electronic Arts. ''We are
committed to capturing the complete NASCAR package with its larger than
life action, superstars, strategy and excitement. With over 60 drivers to
choose from, all 23 Cup Series tracks and one of the largest pack of cars
available on console, we are confident that we have assembled a team that
can deliver just that at EA's Tiburon studio."

The NASCAR development team is comprised of veteran NASCAR video game
developers from the industry, members of the Madden Football graphics team
and NASCAR fanatics. Working with the revolutionary graphic engine from the
acclaimed Madden NFL franchise, NASCAR Thunder 2002 will feature a huge
pack of stunning looking cars in the richest EA SPORTS NASCAR
environments. The graphic engine's horsepower allows the team to
incorporate an accurate damage model, with cars that dent and crumple and
lose auto parts as they collide with other cars and track barriers. When
car damage is repaired the cars morph back to there original state. Other
damage effects will include tire donuts on body panels, tire smoke,
particle effects and contained oil fires.

NASCAR Thunder 2002 features every track found in the Cup Series including
the new, Chicagoland and Kansas Speedways as well as more than 60 of the
top drivers and cars with all four manufacturers' cars represented in game.

Take the wheel as any of your favorite drivers including, Jeff Gordon, Dale
Jarrett, Bobby Labonte, Rusty Wallace, Tony Stewart, Dale Earnhardt Jr.,
Jeff Burton, Bill Elliot, Michael Waltrip and Steve Park, or develop your
own team.

``EA SPORTS really has captured the NASCAR experience," said Dale
Earnhardt Jr., NASCAR Cup Series star. ``The game is so real, I can use it
to practice before I get to the race track. I can get a sense of where I
can get on the gas, and how much patience I'll need. Just watch that you
don't get out of the draft or you'll get freight trained!"

``I came on board at EA SPORTS to do one thing," said Ed Martin, director
of NASCAR production. ``To produce the deepest, most compelling and
entertaining NASCAR game ever developed and we are on track to deliver that
this fall. The entire NASCAR team at EA has committed to making NASCAR
Thunder 2002 the most exciting and fun experience for all racing fans."

The new career mode allows gamers to race for the championship over
multiple seasons. Choose a manufacturer, paint your car, and then earn
offers and decals from new sponsors based on your performance. Use your
race winnings to equip your crew and vehicle, increasing horsepower,
handling and pit crew performance. You can even earn the right to race for
an existing NASCAR team.

Highly-Anticipated PlayStation2 Racing Game,
Gran Turismo3 A-spec, Races Onto Store Shelves

Sony Computer Entertainment America Inc. announced the much-anticipated
release of Gran Turismo 3 A-spec, the latest installment of the greatest
racing series in history. More than two years in the making, the
much-anticipated Gran Turismo 3 A-spec harnesses the power of PlayStation2
to deliver the most realistic racing experience ever.

In addition to the standalone software release, Sony Computer Entertainment
America Inc. will introduce the GT3 Racing Pack, which will include a copy
of Gran Turismo 3 A-spec bundled with the best-selling new console of all
time -- the PlayStation 2 computer entertainment system. Demonstrating the
company's commitment to providing the consumer with the most compelling
entertainment experience coupled with a great value proposition, the GT3
Racing Pack will be available today for a suggested retail price of $329.
Consumers who purchase the GT3 Racing Pack will receive a $350 value for
$329, while the game itself will be available for a suggested retail price
of $49.99.

``We are thrilled to bring the Gran Turismo franchise to the PlayStation 2
computer entertainment system," said Ami Blaire, director, product
marketing, Sony Computer Entertainment America Inc. ``Gran Turismo 3 A-spec
truly revolutionizes the racing category, bringing a new dimension in
physics, graphics and special effects that blur the line between game and
reality. It will appeal to a much broader audience and will drive the
formation of the PlayStation 2 platform."

Gran Turismo 3 A-spec immerses players into the most true-to-life
environments ever realized, including special effects like blinding sun
glare, shimmering heat rays rising off the tarmac and real-time reflections
on the cars, adding to the overall experience. Improved opponent A.I.
(artificial intelligence) further adds to the realism, allowing players to

experience a true sense of emotion emanating from the opposing cars. In addition, the power of PlayStation 2 allows for each car's characteristics to be accurately designed and calculated to handle according to the ''real life" physics of that particular vehicle, taking into account weight, speed, friction, wind and more.

The most realistic interactive racing experience to date, Gran Turismo 3 A-spec delivers speed that players can actually feel. The game takes full advantage of the DUALSHOCK2 analog controller, so that the harder the driver pushes on the touch-sensitive controller, the faster the car goes, simulating the gas pedal of a real car. Drivers can ''feel" the speed as they maneuver through curves and shoot down straight-aways while racing fellow competitors.

Continuing to set the standards for racing games Gran Turismo 3 A-spec will incorporate many enhanced features including:

-- Natural weather conditions, including enhanced fogging effects and mist, enhance realism and add challenge to the racing experience.
-- Enhanced Rally Mode allows players to race through gravel tracks, kicking up dirt to impair their opponent's view
-- More than 150 authentic vehicles, including 30 new car models, will be available to the player, including a variety of models from Japanese, European and American car manufacturers.
-- 18 tracks including two new tracks -- Monte Carlo and Tokyo Racing Circuit
-- Arcade Racing mode with power slides, burnouts and excessive speed
-- In-depth simulation mode where money is earned to buy and sell vehicles and upgrade parts
-- Enhanced sound effects in Gran Turismo 3 A-spec including tire, motor and ambient sounds
-- License tests and racing championship rounds
-- Fully customizable vehicles
-- Refined Replay mode
-- One-to-six player racing using the i-Link cable
-- Blistering soundtrack includes tracks by Lenny Kravitz, Snoop Dogg, Raekwon, Powerman 5000 and Papa Roach.

The independent Entertainment Software Rating Board (ESRB) has rated Gran Turismo 3 A-spec ''E" for Everyone.

3DO Announces GoDai: Elemental Force for the
Playstation2 Computer Entertainment System

The 3DO Company announced the planned release of the GoDai: Elemental Force game, coming this fall to the PlayStation2 computer entertainment system. The GoDai game brings stunning cinematic and action-packed game play to the PlayStation 2.

The GoDai: Elemental Force game follows the tale of family honor, mysticism, and the classic struggle between good and evil. A young Asian Warrior suddenly finds himself heir to the Elemental Guardian Spirit, protector of the Sukoto Clan and the harmony of the lands they defend. Hiro must use the martial arts skills taught by his mentor to fight off Akunin, the dark ninja seeking control of the land. He must master the power of the Elements in order to avenge his father's death and reclaim his birthright.

The GoDai: Elemental Force game combines elements of classic arcade action
with new PlayStation 2 gaming technologies. The fast-paced game play allows
players to engage enemies with hand-to-hand combat, melee and projectile
weaponry, and elemental magic. The game's arsenal includes a huge selection
of martial arts weapons including Katana Blades, Twin Blades, the Bladed
Spear, Throwing Spikes, Shuriken stars, and Smoke Bombs. Aerobatic moves
such as the glide and dash, and the cinematic 360-degree ''KinetiCam"
highlight the action.

The GoDai: Elemental Force game unfolds over 16 breathtaking single-player
levels in which Hiro must master the four Spirit Elements of Earth, Wind,
Water, and Fire. New weather and environmental effects, such as reflective,
rippling water, rain, fog, torches, and fire pits, and other point sources
of light, immerse the player into the story and the action. The game is
designed to appeal to all ages and skill levels with an easy-to-master
interface and fast-paced game action, including eight types of game play in
the multi-player competition.

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                          A-ONE's Headline News
                     The Latest in Computer Technology News
                        Compiled by: Dana P. Jacobson

                  Microsoft Sees Clear Victory on 'Bundling'

To Microsoft, its long-running antitrust battle against the government has
always been about freedom the unfettered freedom to design its products as
the company sees fit. Even if, as Microsoft once colorfully argued, that
meant bundling a "ham sandwich," or anything else, in its flagship Windows
operating system.

On that vital point, Microsoft sounded triumphant after a federal appeals
court delivered its ruling in the antitrust case against the company on
June 28. "The central issue in this case was the fundamental principle
that every company must have the ability to innovate and improve its
products," said William H. Gates, the Microsoft chairman.

He then pointed to Microsoft's coming products including Windows XP, a new
version of the operating system that tightly integrates Internet services
for playing music, shopping and instant messaging.

The appeals court decision, Mr. Gates said, is "consistent with our
ability to go forward with these crucial and innovative products."

His opponents in the antitrust case read the appeals court ruling
differently. Tom Miller, the attorney general for Iowa, one of the states
that joined the Justice Department in suing Microsoft, said in an
interview that the decision "clearly calls into question" the software
bundling moves Microsoft plans to make in Windows XP, which is to be
introduced in October. "Factually," he added, "I think it will be hard for
Microsoft to justify what it is doing."

A. Douglas Melamed, a partner at Wilmer, Cutler & Pickering, who was a senior official in the Justice Department's antitrust division during the Microsoft trial, said, "There is no safe harbor for Microsoft on product design."

The appeals court decision, according to antitrust experts, provides a road map to the future of the Microsoft suit laying out the principles that should be applied in resolving the case, either by settlement negotiations or by court-ordered remedies. And much may hinge on the interpretation of the map, especially on the issue of product design.

The court ruling, the antitrust experts say, does not mean that Microsoft has an entirely free hand in designing its monopoly product, Windows. Instead, the appeals court said business efficiency and consumer benefit should be weighed against the anticompetitive effect of a design a balancing doctrine called the "rule of reason."

"Microsoft is not free to integrate anything it wants into Windows, but free to offer justification," said Andrew I. Gavil, a law professor at Howard University.

And while the appeals court endorsed "judicial deference to product innovation" in general, it found that two of Microsoft's product design decisions were anticompetitive. First, the court found that because Microsoft removed its Internet Explorer browser from the Add/Remove Programs utility for Windows 98, personal computer makers and users no longer had the option of getting rid of the company's software.

Second, the court found that Microsoft's decision to "commingle" Web browsing software with operating system software meant that trying to remove Internet Explorer had the effect of crippling Windows, which controls the basic operations of the computer.

Both those product-design decisions were violations under the "monopoly maintenance" section of the suit. "Microsoft," the court wrote, "failed to meet its burden of showing that its conduct serves a purpose other than protecting its operating system monopoly."

The same principles, antitrust experts say, should apply to new kinds of software in markets that have the potential of eroding the grip that Microsoft's operating system monopoly exerts on computing. "Unless you're really myopic, that applies to future products as well as the browser," observed Herbert Hovenkamp, a professor at the University of Iowa law school.

Such software as media players where a Microsoft rival, RealNetworks, is the leader and instant messaging, which is dominated by America Online, can be seen as providing some competition to Windows because they are outside Microsoft's control. Neither one, however, is a direct competitor to the Windows operating system.

In another part of the case, the appeals court rejected the lower court's conclusion that Microsoft's basic decision to fold its browser into Windows was inherently a violation of the antitrust laws. The appeals court sent that issue down for a new federal district judge to consider, with the guidance that the "rule of reason" standard should be applied.

The careful balancing under that standard is intended to determine whether a product tying decision is a net gain or a net harm for consumer welfare. That is a tougher standard for Microsoft than the one the same federal

appeals court articulated in a related Microsoft case in June 1998, when Windows 98 was on its way to the marketplace. In that narrower ruling, the court said Microsoft should be free to tie its browser to its operating system as long as the company could make any "plausible claim" of consumer benefit or business efficiency from doing so.

The appeals court, in its ruling last month, noted that product tying has its virtues. "Bundling obviously saves distribution and consumer transaction costs," the court wrote. It observed that the Microsoft case presents the "first up-close look" at such a tying issue in software, that there is "no close parallel in prior antitrust cases and that some traditional antitrust rules "may not give newly integrated products a fair shake."

But, the court added, "In light of the monopoly maintenance section, obviously, we do not find that Microsoft's integration is welfare-enhancing or that it should be absolved of tying liability."

Some antitrust experts say that there is scant chance that the Justice Department and states could prevail with a tying claim. Such a conclusion, they say, would require a clear and convincing economic analysis to show net harm to consumer welfare, a high bar to overcome. "I don't see any hope of proving a tying claim," said George L. Priest, a professor at the Yale University law school. "That's a big victory for Microsoft."

And the principles of the appeals court ruling require not only interpretation, but they must also be translated into action. After the remedies hearing, for example, a court could possibly appoint a special master to review product-bundling decisions. Or a settlement could confine sanctions only to prohibitions against exclusive dealing by Microsoft. Then, too, the ruling suggests guidelines that may help Microsoft's rivals in litigation against the company.

Still, whatever the outcome, the appeals court ruling has at least provided a mechanism for the judicial second-guessing of product-design decisions that Microsoft has long held were no one's business but its own.

Microsoft to Change Licensing Pacts

Microsoft, responding to a recent court ruling that said its competitive practices broke the law, will change its licensing agreements with computer manufacturers, allowing them to remove shortcuts to Microsoft's Internet Explorer browser from the Windows computer desktop.

The company also announced Wednesday that PC manufacturers will be able continue to add icons of other technology companies, such as RealNetworks Inc. or AOL Time Warner Inc., on the forthcoming version of Windows, called XP.

Previously, the company had sought to create a completely clean desktop for the new system, due out Oct. 25, free of both Microsoft and competitors' icons. In light of the ruling, that plan would have been illegal, because it prohibited manufacturers from adding shortcuts to competing products.

''We recognize that some provisions in our existing Windows licenses have been ruled improper by the court, so we are providing computer manufacturers greater flexibility," Microsoft chief executive Steve

Ballmer said.

Ballmer said the company decided on the change independently, and that it does not take the place of settlement discussions with the Department of Justice or other government bodies, or of further legal proceedings.

Microsoft's earlier licensing agreements allowed manufacturers to add icons such as the one to rival Internet browser Netscape Navigator, but prohibited them from removing Microsoft icons such as the one for Internet Explorer.

Computer manufacturers feared confusion if they had more than one browser appearing on the desktop, however; since they couldn't get rid of the Explorer browser icon, many wouldn't add the Netscape shortcut.

In its ruling last month, the U.S. Court of Appeals in Washington, D.C., found that such agreements with manufacturers broke the law.

Reserving its harshest criticism for this practice, the court said Microsoft used its power to illegally maintain a monopoly by giving preference to Microsoft products on the computer desktop, considered to be the prime real estate of new computers.

``Although Microsoft did not bar its rivals from all means of distribution, it did bar them from the cost-efficient ones," the appeals court said in its ruling.

Richard Blumenthal, the Connecticut attorney general who was one of 19 attorneys general that brought suit against Microsoft, said Microsoft's announcement Wednesday meant little, since the battle for Internet browser dominance is over - and Microsoft has won.

``There's a lot unclear in this proposal. Most importantly, what it means for other Microsoft products or competitors' products," Blumenthal said. ``The question is, how will they react to other products from competitors that pose a threat to Microsoft's operating system?"

Analysts were similarly nonplussed.

``I think on the public relations front it helps them in the sense that it shows them being deferential to the court and the concerns that the court raised," said Jonathan Geurkink, an analyst with Ragen McKenzie in Seattle. But he saw little benefit for users or competitors.

Hewlett-Packard Co. spokeswoman Diane Roncal characterized Microsoft's decision was a good first step but that the computer maker was hoping for more concessions.

``We are looking forward to Microsoft's implementation of the court ruling across several additional areas to allow (manufacturers) more flexibility to provide ideal solutions for their customers," she said. She declined to elaborate further.

With Windows XP, Ballmer said the company thought users would prefer a clean desktop, but ``after reading the ruling we decided it would be good to give (computer manufacturers) greater flexibility."

But many computer makers said the decision would not change their plans to adhere to Microsoft's preferences.

Mike Ritter, Gateway Inc.'s vice president of product marketing, said Gateway agreed with Ballmer that users want a clean desktop, and doubted the decision would spark a run on licensing deals with Microsoft competitors.

''Some of our competitors treat the desktop as a NASCAR type of real estate - anything that comes around and they'll throw logos on the desktop," said Ritter said. ''But we haven't done that because we always thought it'll hurt the customer experience."

Compaq Computer Corp. spokesman Arch Currid said the company was happy with the freedom Microsoft already gave the company, and ''we do like the idea of a clean desktop."

Ballmer said the changes will not affect the planned Oct. 25 launch date for Windows XP.

U.S. Asks Microsoft Case Move Quickly to Lower Court

The U.S. Justice Department asked an appeals court on Friday to quickly send the antitrust case against Microsoft back to a lower court and said it will not seek a review from the Supreme Court at this stage.

The agency and the 18 states behind the case filed a motion for the court to speed it back to the U.S. District Court ''in light of the exceptional importance of this case and the strong public interest in prompt entry of a decree providing an effective remedy for Microsoft's illegal conduct."

The motion comes about two weeks after the U.S. Court of Appeals for the District of Columbia overturned a lower court's order that Microsoft be broken into two companies but upheld findings that the company abused its monopoly in the market for personal computer operating systems.

While the court had rejected findings that Microsoft attempted to monopolize the Internet browser market, it ordered a new lower court judge to consider remedies against the company and determine whether it illegally tied its Internet browser to Windows.

''We share the goal of trying to get the remaining issues in this case resolved as quickly as possible," Microsoft spokesman Vivek Varma said. ''This is a long and complex decision and we will continue to review our options, and intend to move forward promptly."

Under the June 28 ruling, the appeals court was scheduled to send the case back to the district court after a 45-day waiting period, giving both sides a chance to ask it to re-hear the case.

That would have meant the district court would take up the case in mid-August at the earliest, about two months before Microsoft releases its new operating system Windows XP.

But in Friday's motion, the Justice Department argued that there is ''no good reason to delay issuance of the mandate until mid-August or later". Neither the government nor Microsoft plans to ask for a re-hearing by the appeals court, the department said.

''Delay in imposing an effective remedy inflicts substantial and widespread

consumer injury and needlessly prolongs uncertainty in the computer industry," the department said in its motion.

''In these circumstances, the public interest is plainly served by allowing the proceedings on remand to go forward as quickly as possible," the department said.

Microsoft has 10 days to respond to the Justice Department's motion and has said previously it wants to settle the case out of court

''This is all about timing here," said Jonathan Baker, professor of antitrust law at American University in Washington D.C. ''The Justice Department is saying, 'Let's not wait, let's just get the case back to the district court as soon as possible."

Judge Orders Napster To Stay Offline

U.S. District Judge Marilyn Hall Patel says Napster must remain offline until it can show that it is able to effectively block access to copyrighted works.

A federal judge on Wednesday ordered Napster to remain offline until it can show that it is able to effectively block access to copyrighted works on its file-swapping network, according to both parties involved in the suit.

The order by U.S. District Judge Marilyn Hall Patel came in a closed-door session, according to a RIAA spokesman. The order was not immediately available, he added.

RIAA chief executive Hilary Rosen in a statement said that the court ordered Napster not to resume operations until the company could show that it could comply with an earlier court order to ban trades of major label songs.

A Napster spokesman confirmed the court had issued a ruling and that the site would remain closed until further notice.

"While we are disappointed by this ruling, we will work with the technical expert to enable file transfers as soon as possible and we are continuing full steam ahead toward the launch of our new service later this summer," said Hank Barry, CEO of Napster.

The order comes more than a week after Napster began a self-imposed blackout as it seeks to install new audio fingerprint technology aimed at filtering unauthorized works from its service.

At an April 10 hearing, Patel called Napster's filtering efforts up to that point "disgraceful," saying that if a song could be found by people on the service, Napster ought to be able to block it.

"You find a way to filter out (those songs) for which you can search," she told the file-swapping service at that time, adding that if it couldn't block copyrighted songs, "maybe the system needs to be closed down."

At that hearing she also appointed A.J. "Nick" Nichols as a court mediator to handle technical issues related to proposed filtering solutions.

Patel had ordered Napster to begin blocking songs in early March, after the 9th U.S. Circuit Court of Appeals asked her to revise an earlier injunction that gave the company room to continue its swapping service as long as it took all "reasonable" steps toward blocking copyrighted songs identified by the record companies.

Wednesday's decision may help shed light on a nearly 2-week-old blackout that Napster executives imposed on the company. Napster has repeatedly cited database "upgrades" as the source of its blackout.

Even before the most recent blackout, Napster wasn't functioning normally. In late June, Napster disabled old versions of its software and forced members to a new version that rendered the service unusable. The new software blocked even the most obscure, uncopyrighted works from being traded.

If Napster interprets the ruling as a complete blackout on all trading, the company's ability to test new business strategies and comply with copyright law could be seriously undermined.

The company unveiled a technique two weeks ago that allows it to identify songs by their audio "fingerprint"--literally matching the sound of musical tracks to a list of copyrighted tunes banned from the service. The technique avoids the pitfalls of filters that block songs based on file names, which can be easily changed. But it carries its own uncertainties, including significant logistical barriers in building a database of banned songs.

If Napster is allowed to continue its fingerprinting experiments, it's unlikely to help boost the number of recordings available to online consumers.

Napster claims fingerprint filtering will reverse the decline of music being traded. But it has had the opposite effect in its initial use.

Almost all the music that remained on the service vanished. According to Webnoize, the average number of files shared by people online dropped to just one. But a few days later, the company pulled the plug altogether, saying some copyrighted songs were still getting through and an "upgrade" to the database was necessary to make the new filtering technology work perfectly.

Between 100,000 and 150,000 people have remained logged into the service throughout the outage--a far cry from the 18.7 million people who were using Napster in October. According to market-research company PC Data, nearly one-fifth of the total online population downloaded free music from Napster.

The voluntary blackout, consumer defection and technical delays highlight the extraordinary logistical hurdles Napster and any other company must go through if it implements audio fingerprinting, which has been touted as one of the most surefire ways of blocking unauthorized trades of songs.

In theory, the fingerprinting technology takes a snapshot of the actual audio characteristics of a given song and sends this to Napster's central servers. This is compared against a master list of fingerprints and either given the go-ahead or blocked.

But this master list does not exist and has never existed. A company

called Loudeye Technologies has rights to much of the music created by major and other North American music labels and is creating "fingerprints" from these files for Napster. These files must then be independently matched to the lists of song titles and artists that have been identified by the record companies.

Napster itself has said that the file-identification technology works and that just a few details are holding up the decision to restart the service.

Senators Press for Net Privacy Bill

Senators pressing for an Internet privacy law say they have learned from their mistakes in previous failed bills, including not specifying whether medical and financial data should get more protection.

Several members of the Commerce Committee said Wednesday they were committed to producing a law this year.

''What we're going to do is not be silent this time," Sen. John Kerry, D-Mass., said. ''We're going to be more specific."

The legislation they envision may require that consumers give their consent before companies use their medical or financial information, but have a lesser ''opt-out" standard for regular Internet purchases.

Some bills, like one backed by committee chairman Ernest Hollings, D-S.C., last year, favor an affirmative consent standard known as ''opt-in." But that has been attacked by business groups as harmful to Internet commerce.

''From my view, opt-in as a standard for legislation across the board on the Internet is fatal," said Fred Cate, an Indiana University law professor and fellow at the American Enterprise Institute.

Business groups have shifted in the last year from refusing any kind of consumer privacy law to saying they could live with a law with conditions, like not allowing consumers to sue if their privacy is breached by a company.

Part of their change of heart involves a fear that states will act before Congress does, creating a patchwork of conflicting laws. This has given Congress some leverage.

''If they want some measure of pre-emption, they have got to support a bill with meaningful privacy protection," said Sen. Ron Wyden, D-Ore.

If Congress does not act, legislators worry that there will be more serious privacy lapses - such as a recent case in which pharmaceutical maker Eli Lilly divulged the e-mail addresses of hundreds of people taking the anti-depression drug Prozac.

''Nobody on this committee wants an Exxon Valdez of privacy," Wyden said.

Both Hollings and ranking member John McCain, R-Ariz., as well as many of the rest of committee present for the hearing, said they were committed to reaching a consensus.

Even senators who had previously taken a more pro-business approach to consumer privacy are changing their tone as the issue hits home. Sen. Jay Rockefeller, D-W.Va., said one of his assistants showed the senator how his movements were tracked on his office computer.

''I'm highly offended by what I have in front of me," Rockefeller said, passing around a printout of his recent Internet travels. ''We have passed nine pieces of (privacy) legislation, and yet we allow this to go on."

Georgia Sen. Max Cleland reflected the fears of many Americans who are hesitant about getting online or buying over the Internet. Cleland said he has no television or computer at home.

''Hearing what I hear about how people could track me if I go on the Internet, that gives me pause," Cleland said. ''The great blessing of the Internet can also be a curse."

Microsoft Stumbles Again: Now It's the XP Preview

For the past eight days, Microsoft has looked little like the feared tech predator that rivals claim plans to dominate the Internet. Just as the company announced that its MSN Instant Messenger is finally back on track, the preview version of its new Windows XP software has suffered a delivery snafu.

Microsoft said early Tuesday that full use of its MSN Messenger -- the cornerstone of the firm's .Net initiative -- had been restored, ending eight days of partial outages to about a third of its 32 million users.

The Redmond, Washington-based company's Web site said the service was restored, adding, "Be assured that we have worked as fast as possible, around the clock, to resolve this service problem and already have taken steps to ensure this doesn't happen again."

Microsoft has yet to offer details on why MSN Messenger suddenly lost "buddy" lists and would not accept authentication codes for users in at least 22 countries, including the United States.

It said earlier that an "extremely rare set of circumstances" caused by the failure of a disk controller in one of the database computers created the outage. Microsoft also said the glitch struck a backup for the controller. The company said it was installing another backup controller for future breakdowns.

At about the same time the MSN Messenger problems began last Tuesday, the company found itself in another snafu, this time over the delivery of a preview version of Windows XP to more than 100,000 testers, the company said.

Windows XP will supposedly give users a new and better way to operate on the Web by integrating a number of features into the operating system -- nearly all of which will go through the Passport technology that powers the messaging system.

The preview versions were sent out at US$10 per copy, but in many cases the testers did not receive an e-mail containing the user ID and password that would allow them to activate the software.

Others, the company said, got the software for free. But they didn't get the activating password, either.

A number of customers complained to the company, and analysts said Microsoft may not be quite as ready for a conquest of the Internet as it rivals fear.

Microsoft tried to put a positive spin on the latest snafu, saying all the criticism the company has taken is nothing more than a sign of demand for Windows XP, which is scheduled to launch on October 25th.

"The past few days have done little to enhance the image of Microsoft," Rob Enderle, an analyst with Giga Information Group, told NewsFactor Network.

"They seem to have few answers for all of the questions that are being raised."

Lindy Lesperance, an analyst with Technology Business Research, told NewsFactor that the past few days have been "very embarrassing" to Microsoft.

"The reliability issues take the value proposition away from the functionality of the entire HailStorm offering," she said.

The MSN Messenger outage was the second major glitch the technology has suffered this year. Microsoft had problems last February with the servers that handle the IM program after a hacker attack, refusing to acknowledge the problem for several days.

Besides numerous hack attacks on its Web servers, Microsoft also discovered last year that an intruder had been operating inside its corporate network for at least a month.

The company on Tuesday said it was contracting with software security firm VeriSign to embed digital authentication technology in its upcoming Web services offerings.

Most analysts were not convinced, however, that this would help cure Microsoft's larger issues of breakdowns and unreliable services.

One-Third of U.S. Online Workforce Bugged

A study released Monday by the Denver, Colorado-based Privacy Foundation found that over one-third of U.S. employees doing business online are having their Internet and e-mail usage monitored on a continuous basis.

The figures were determined largely from information gleaned from publicly traded companies that sell surveillance software.

In a press release, the Privacy Foundation said that the survey concentrates only on systematic surveillance of workers and not on spot-check monitoring. The non-profit organization defined "continuous and systematic monitoring surveillance" as a condition in which "every Internet connection and every e-mail sent or received is recorded by the employer."

According to the study, 14 million of the 40 million U.S. workers online are having their Internet or e-mail usage tapped. Of those 14 million, 6.25 million or 15 percent of those workers are having their e-mail monitored, while another 7.75 million workers are having their Internet connections scrutinized.

Worldwide, 27 million of the 100 million workers online are under similar surveillance.

The report offers a disclaimer, however, stating that the study does not account for overlap between those workers who may be having both their e-mail and Internet usage monitored, which means that the one-third figure touted by the Privacy Foundation may be overstated.

But chief researcher Andrew Schulman told NewsFactor Network that although the question of overlap is a valid concern, the report has taken several steps to minimize any possibility of inflated figures.

"We were very conservative in our findings," Schulman said. The foundation lopped 30 percent off the figures it acquired from top-two vendors Baltimore MIMEsweeper, an e-mail surveillance program, and Websense, a Web site monitoring application.

Privacy Foundation Web site editor Kate Hawthorne told NewsFactor that because so many of the applications being used for surveillance can be used to track both Internet and e-mail usage, ascertaining the ways in which an employer customizes a given application is almost impossible to break out.

Moreover, the study does not include Raytheon's SilentRunner monitoring application, despite its obvious use in surveillance, because Privacy Foundation was unable to obtain any concrete data on the product. According to Schulman, publicly-traded Raytheon is not required to break out its revenues on a per-product basis.

Surprisingly, Schulman's research indicates that employers -- including Fortune 500 behemoths like American Express, Nike, and Glaxo Wellcome and government entities like the U.S. Army and the National Park Service -- are increasingly turning to surveillance technology because it's inexpensive.

According to the data, worldwide sales of surveillance applications have averaged around US$5.25 per monitored employee per year.

And the study points out that continuous e-mail surveillance has grown at double the rate in the last several years as the total number of U.S. employees with Internet access.

In a prepared statement issued Monday, Schulman expressed concern over whether employers are giving their employees sufficient notice on monitoring activities.

"Companies and government agencies are basing firing and suspension decisions on the employee-monitoring reports. Yet employees are generally not told beforehand what information will be gathered and how it will be judged," Schulman said.

Kevin Noonan, Internet and media research vice president for the Boston-based Yankee Group, told NewsFactor that while the study appears

ominous, it need not be taken as such -- as long as employers and
employees "are working together for the same good."

Noonan said he has no problem with companies using a corporate firewall to
block certain Web sites, such as porn or gambling sites, and for blocking
e-mail spam of that nature.

However, said Noonan, e-mail is in general a gray area.

"How difficult will [a company] make it to live your life?" Noonan said.
"There is no way to hypothesize whether an e-mail is being sent for
personal or business reasons without reading it. And sometimes you can't
avoid getting in touch with your wife or your mother without using the
company e-mail."

Companies will be making a grave mistake if they "start making employees
feel like criminals before any crime has been committed," said Noonan. If
employers do continue on such a tack, employees will have to justify all
their phone calls next, and little work will get accomplished.

The Privacy Foundation's study concurs, adding that, ironically, employers
are putting themselves at risk by "inadvertently stockpiling large amounts
of potential evidence that could be used against them in future
litigation."

The Next-Generation Internet is Already Here

If you want a preview of what the Internet might look like in the future,
you need only look at the "parallel Internet" or "Internet2." It is not an
illusion, a scam or a hacker's hoax. It is real, and it's quietly humming
along right now, probably somewhere near you.

"It will change everything, from the way you toast your bread in the
morning to the way you park your car at night," Internet2 spokesman Greg
Wood told NewsFactor Network.

Internet2 is far more advanced than today's Internet, speeding along 100
to 1,000 times faster. It is the online, interactive future of medicine,
music and entertainment, and it might change the way we live -- perhaps
even to the same degree as today's Internet has done.

But don't call and ask to be hooked up until you check your bank account.
Annual fees run anywhere from US$500,000 to $1 million.

Internet2, as it's called by the 185 universities and research facilities
that are currently using and helping to develop it, is testing and using
advanced applications involving interactive medicine and complex
computational projects like long-term weather forecasting -- which used to
be solely the province of supercomputers.

It's also experimenting with streaming, high-definition video, in what
could be a preview of the future of television.

Internet2 offers users "super-fast connections in two fiber-optic
backbones and networking protocols that ensure data arrives at its
destination without loss or delay," according to its Web site.

Eleven global astronomical observatories atop Mount Kea in Hawaii are connected to Internet2. An astronomer in Amsterdam can remotely manipulate a telescope, then discuss his findings via advanced teleconferencing techniques with colleagues around the world. These are some of the conventional applications with which Internet2 is experimenting.

But there are other, more futuristic applications, like "tele-immersion," which gives the user, perhaps in Miami, Florida the illusion that he or she is in the same physical space as others hundreds or even thousands of miles away -- say, in Bangkok, Thailand. The user, according to Internet2, appears to be a three-dimensional "moving sculpture."

"Think about Internet2 as a time machine, showing us where the [public] Internet will be in three to five years," Ted Hanss, director of application development for Internet2, told reporters.

Internet2 was started in 1996, shortly after the regular Internet began growing sluggish because of escalating commercial and individual user traffic. The Internet, begun as a way for government research institutions to share information, was already becoming too slow for the bandwidth-intensive applications the research community needed.

Thirty-four research institutions then formed a non-profit consortium, the goal of which was to build an exclusive new network from the ground up.

That network would be able to handle the needs of the research community, "develop revolutionary Internet applications," and eventually make the technology available to the broader Internet community, according to the consortium.

Now, in addition to the Internet2 newswire, there are e-mail lists, FAQs, information kits and a snazzy Videospace video that tells you all about the project -- which requires a Videocharger plug-in that can be downloaded free on the site.

At roughly the same time that Internet2 began forming, the U.S. government began its own project called Next Generation Internet. That initiative has basically the same goals as Internet2 but is centered around the needs of government agencies such as the Department of Defense and NASA. The two projects share data.

Already, Internet2 has enabled a Washington, D.C. surgeon to direct a gall bladder operation in Columbus, Ohio, and symphony orchestras in Miami and Atlanta, Georgia have been able to practice together in real time.

Parts of Internet2's advanced networking technology has already found their way into commercial enterprises; the project works closely with industry leaders like Cisco and Microsoft.

Internet2 researchers predict that within five years, users will start to see their Internet at home and work become faster and deeper as a result of their efforts. Full-motion video will be piped to homes, and movies will be distributed over Internet2.

"It's easy to forget that the World Wide Web was a 20-year 'overnight success,'" Internet2's Wood told NewsFactor. "The first deployment of the Internet protocol took place in the late 1960s, and the World Wide Web didn't really explode onto the scene until 25 years later."

"So it's hard to answer," Wood added, "when some of these things will see

practical applications, but we're already beginning to see some of them
make their way into commercial work now."

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